CONTENTS

PREFACE ix

1 THE CHANGING LANDSCAPE OF PROJECT MANAGEMENT 1

CHAPTER OVERVIEW 1

1.0 INTRODUCTION 1

1.1 EXECUTIVE VIEW OF PROJECT MANAGEMENT 2

1.2 COMPLEX PROJECTS 5

Comparing Traditional and Nontraditional Projects 5

Defining Complexity 8

Trade-offs 10

Skill Set 10

Governance 11

Decision Making 11

Fluid Methodologies 12

1.3 GLOBAL PROJECT MANAGEMENT 12

1.4 PROJECT MANAGEMENT METHODOLOGIES AND FRAMEWORKS 14

Light Methodologies 16

Heavy Methodologies 17

Frameworks 17

1.5 THE NEED FOR EFFECTIVE GOVERNANCE 20

1.6 ENGAGEMENT PROJECT MANAGEMENT 20

1.7 CUSTOMER RELATIONS MANAGEMENT 23

1.8 OTHER DEVELOPMENTS IN PROJECT MANAGEMENT 23

1.9 A NEW LOOK AT DEFINING PROJECT SUCCESS 25

Success Is Measured by the Triple Constraints 25

Customer Satisfaction Must Be Considered as Well 26

Other (or Secondary) Factors Must Be Considered as Well 26

Success Must Include a Business Component 26

Prioritization of Success Constraints May Be Necessary 27

The Definition of Success Must Include a “Value” Component 28

Multiple Components for Success 29

The Future 30

1.10 THE GROWTH OF PAPERLESS PROJECT MANAGEMENT 30

1.11 PROJECT MANAGEMENT MATURITY AND METRICS 32

1.12 PROJECT MANAGEMENT BENCHMARKING AND METRICS 36

Best Practice versus Proven Practice 37

Benchmarking Methodologies 38

1.13 CONCLUSIONS 42

2 THE DRIVING FORCES FOR BETTER METRICS 43

CHAPTER OVERVIEW 43

2.0 INTRODUCTION 43

2.1 STAKEHOLDER RELATIONS MANAGEMENT 44

2.2 PROJECT AUDITS AND THE PMO 56

2.3 INTRODUCTION TO SCOPE CREEP 57

Defining Scope Creep 57

Scope Creep Dependencies 60

Causes of Scope Creep 60

Need for Business Knowledge 62

Business Side of Scope Creep 62

Ways to Minimize Scope Creep 63

2.4 PROJECT HEALTH CHECKS 64

Understanding Project Health Checks 65

Who Performs the Health Check? 67

Life Cycle Phases 67

2.5 MANAGING DISTRESSED PROJECTS 69

Root Causes of Failure 70

Definition of Failure 71

Early Warning Signs of Trouble 72

Selecting the Recovery Project Manager 73

Recovery Life Cycle Phases 74
## 3 Metrics

**CHAPTER OVERVIEW** 83

3.0 INTRODUCTION 83  
3.1 PROJECT MANAGEMENT METRICS: THE EARLY YEARS 84  
3.2 PROJECT MANAGEMENT METRICS: CURRENT VIEW 87  
3.3 METRICS MANAGEMENT MYTHS 88  
3.4 SELLING EXECUTIVES ON A METRICS MANAGEMENT PROGRAM 89  
3.5 UNDERSTANDING METRICS 91  
3.6 CAUSES FOR LACK OF SUPPORT FOR METRICS MANAGEMENT 95  
3.7 USING METRICS IN EMPLOYEE PERFORMANCE REVIEWS 96  
3.8 CHARACTERISTICS OF A METRIC 97  
3.9 METRIC CATEGORIES AND TYPES 99  
3.10 SELECTING THE METRICS 101  
3.11 SELECTING A METRIC/KPI OWNER 105  
3.12 METRICS AND INFORMATION SYSTEMS 106  
3.13 CRITICAL SUCCESS FACTORS 106  
3.14 METRICS AND THE PMO 109  
3.15 METRICS AND PROJECT OVERSIGHT/GOVERNANCE 112  
3.16 METRICS TRAPS 113  
3.17 PROMOTING THE METRICS 114  
3.18 CHURCHILL DOWNS INCORPORATED’S PROJECT PERFORMANCE MEASUREMENT APPROACHES 114  

Toll Gates (Project Management–Related Progress and Performance Reporting) 116

### Seven Strategies for Selecting Relevant Key Performance Indicators

1. Putting the R in KPI 135  
2. Take First Prize 137  
3. CATEGORIES OF KPIs 137  
4. KPI SELECTION 138  
5. KPI MEASUREMENT 144  
6. KPI INTERDEPENDENCIES 146  
7. KPIs AND TRAINING 148  
8. KPI TARGETS 149  
9. UNDERSTANDING STRETCH TARGETS 152  
10. KPI FAILURES 154  
11. KPIs AND INTELLECTUAL CAPITAL 155  
12. KPI BAD HABITS 157  
13. BRIGHTPOINT CONSULTING, INC.—DASHBOARD DESIGN: KEY PERFORMANCE INDICATORS AND METRICS 163  
   - Introduction 163  
   - Metrics and Key Performance Indicators 164  
   - Scorecards, Dashboards, and Reports 165  
   - Gathering KPI and Metric Requirements for a Dashboard 166  
   - Interviewing Business Users 166  
   - Putting It All Together—The KPI Wheel 167  
   - Start Anywhere, but Go Everywhere 167  
   - Wheels Generate Other Wheels 170  
   - A Word about Gathering Requirements and Business Users 170  
   - Wrapping It All Up 171

### Metrics and Small Companies

5.0 INTRODUCTION 173  
5.1 VALUE OVER THE YEARS 175  
5.2 VALUES AND LEADERSHIP 176  
5.3 COMBINING SUCCESS AND VALUE 179  
5.4 RECOGNIZING THE NEED FOR VALUE METRICS 183  
5.5 THE NEED FOR EFFECTIVE MEASUREMENT TECHNIQUES 186  
5.6 CUSTOMER/STAKEHOLDER IMPACT ON VALUE METRICS 191  
5.7 CUSTOMER VALUE MANAGEMENT 192  
5.8 THE RELATIONSHIP BETWEEN PROJECT MANAGEMENT AND VALUE 197  
5.9 BACKGROUND OF METRICS 202  
   - Redefining Success 203  
   - Growth in the Use of Metrics 204
5.10 SELECTING THE RIGHT METRICS 208
5.11 THE FAILURE OF TRADITIONAL METRICS AND KPIs 212
5.12 THE NEED FOR VALUE METRICS 212
5.13 CREATING A VALUE METRIC 213
5.14 PRESENTING THE VALUE METRIC IN A DASHBOARD 221
5.15 INDUSTRY EXAMPLES OF VALUE METRICS 221
5.16 USE OF CRISIS DASHBOARDS FOR OUT-OF-RANGE VALUE ATTRIBUTES 227
5.17 ESTABLISHING A METRICS MANAGEMENT PROGRAM 228
5.18 USING VALUE METRICS FOR FORECASTING 230
5.19 METRICS AND JOB DESCRIPTIONS 232
5.20 GRAPHICAL REPRESENTATION OF METRICS 232
5.21 CREATING A PROJECT VALUE BASELINE 245
   The Performance Measurement Baseline 246
   Project Value Management 246
   The Value Management Baseline 247
   Selecting the Value Baseline Attributes 250

6 DASHBOARDS 253

CHAPTER OVERVIEW 253
6.0 INTRODUCTION 253
6.1 HOW WE PROCESS DASHBOARD INFORMATION 258
6.2 DASHBOARD CORE ATTRIBUTES 258
6.3 THE MEANING OF INFORMATION 259
6.4 TRAFFIC LIGHT DASHBOARD REPORTING 261
6.5 DASHBOARDS AND SCORECARDS 263
   Dashboards 264
   Scorecards 264
   Summary 264
6.6 CREATING A DASHBOARD IS A LOT LIKE ONLINE DATING 266
   Finding Out the Needs of the Stakeholders 266
   Making a Connection 267
   Choosing Your Key Performance Indicators 267
   Selecting Your Visuals 268
   Building on the Momentum 268
   Maintenance 268
6.7 BENEFITS OF DASHBOARDS 269
6.8 IS YOUR BI TOOL FLEXIBLE ENOUGH? 269
   A Flexible BI Tool—What Does It Mean and Why Does It Matter? 269
   Why Is Flexibility So Important? 270
   Stay Up to Speed with Your Changing Business Needs 271
   Be Independent (with Fewer Tools and Users Involved to Get Your Job Done) 272
   Adapt to Each and Every User 272

Be Ready for the Unknown 272
6.9 RULES FOR DASHBOARDS 273
6.10 THE SEVEN DEADLY SINS OF DASHBOARD DESIGN AND WHY THEY SHOULD BE AVOIDED 273
   Deadly Sin #1: Off the Page, Out of Mind 274
   Deadly Sin #2: And This Means . . . What? 274
   Deadly Sin #3: Right Data, Wrong Chart 274
   Deadly Sin #4: Not Making the Right Arrangements 274
   Deadly Sin #5: A Lack of Emphasis 275
   Deadly Sin #6: Debilitating Detail 275
   Deadly Sin #7: Not Crunching the Numbers 275
6.11 BRIGHTPOINT CONSULTING, INC.: DESIGNING EXECUTIVE DASHBOARDS 276
   Introduction 276
   Dashboard Design Goals 276
   Defining Key Performance Indicators 277
   Defining Supporting Analytics 277
   Choosing the Correct KPI Visualization Components 278
   Supporting Analytics 280
   Validating Your Design 283
6.12 ALL THAT GLITTERS IS NOT GOLD 285
6.13 USING EMOTICONS 309
6.14 MISLEADING INDICATORS 311
6.15 AGILE AND SCRUM METRICS 312
6.16 DATA WAREHOUSES 314
6.17 DASHBOARD DESIGN TIPS 315
   Colors 315
   Fonts and font size 316
   Use Screen Real Estate 316
   Component Placement 317
6.18 TEAMQUEST CORPORATION 317
   White Paper #1: Metric Dashboard Design 318
   White Paper #2: Proactive Metrics Management 329
6.19 LOGI ANALYTICS, INC.: DASHBOARD BEST PRACTICES 338
   Executive Summary 338
   Introduction—What’s New about Dashboards? 340
   How Modern Is the Modern Dashboard? 340
   The Dashboard versus the Spreadsheet 342
   Designing the Dashboard 342
   The Business-Driven Dashboard 343
   The Implications for the IT Provider 345
   Implementing the Dashboard 345
   Organizational Challenges 346
   Common Pitfalls 347
   Justifying the Dashboard 348
   Return on Investment 348
   Ensuring Service-Level Agreements 349
   Conclusion 349
## CONTENTS

### 6.20 A SIMPLE TEMPLATE 350
### 6.21 SUMMARY OF DASHBOARD DESIGN REQUIREMENTS 350
  - The Importance of Design to Information Dashboards 350
  - The Rules for Color Usage on Your Dashboard 353
  - The Rules for Graphic Design of Your Dashboard 355
  - The Rules for Placing the Dashboard in Front of Your Users—The Key to User Adoption 356
  - The Rules for Accuracy of Information on Your Dashboard 357
### 6.22 DASHBOARD LIMITATIONS 357
### 6.23 THE DASHBOARD PILOT RUN 360
### 6.24 EVALUATING DASHBOARD VENDORS 361
### 6.25 NEW DASHBOARD APPLICATIONS 363

### 7 DASHBOARD APPLICATIONS 365
  - CHAPTER OVERVIEW 365
### 7.0 INTRODUCTION 365
### 7.1 DASHBOARDS IN ACTION: DUNDA$ DATA VISUALIZATION 366
### 7.2 DASHBOARDS IN ACTION: PIEMATRIX, INC. 366
### 7.3 PIEMATRIX OVERVIEW 378
  - PieMatrix Executive Dashboard 378
  - Executive Dashboard and To-Do List—Where Does All This Data Come From? 389

### 8 THE PORTFOLIO MANAGEMENT PMO AND METRICS 413
  - CHAPTER OVERVIEW 413
### 8.0 INTRODUCTION 413
### 8.1 CRITICAL QUESTIONS 414
### 8.2 VALUE CATEGORIES 414
### 8.3 PORTFOLIO METRICS 416
### 8.4 MEASUREMENT TECHNIQUES AND METRICS 419
### 8.5 CRISIS DASHBOARDS 419
  - Defining a Crisis 420

INDEX 425